



*Governor's Council on
New Jersey Outdoors*

Interim Report, May 1 1997



Governor's Council on New Jersey Outdoors

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Introduction

The Governor's Council on New Jersey Outdoors is pleased to present its Interim Report. The Council was convened by Governor Christine Todd Whitman to review the open space and recreational needs of the State and to identify stable sources of funding to keep New Jersey green. In the Spring of 1996, the Council held three public hearings to hear what New Jersey's citizens had to say about the current and future needs for preservation of our natural and cultural resources. More than 150 public officials, organizational representatives and New Jersey residents provided testimony and written comments.

The Council asked the public, "What are the needs for open space preservation and management of these resources in New Jersey?" The public response was simple and straightforward: New Jersey has enjoyed wonderful successes in the preservation of its natural and cultural resources; but the open space needs of our present and future generations greatly outweigh the resources we have been able to provide over the years. The public told us that we are protecting too little, too slowly, and that we are at risk of allowing publically-owned resources to deteriorate from inadequate stewardship.

Preservation and stewardship are the ideals our residents asked us to address. These are the ideals that underscore the "snapshot" the Council has taken of New Jersey's open space legacy. We have inherited a state more rich in biodiversity than many larger and less populous states. We have a history of leadership and progressive efforts in preserving open space, historic preservation, and environmental protection that few states can match. We have created an impressive system of open spaces that link many



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partners together: federal, state, county and local governments; non-profit volunteer and land trust groups; the private sector; and, most importantly, the people who visit and enjoy New Jersey's outdoor resources. These partners were represented by those who testified before us.

New Jersey has established a strong foundation upon which we can anchor a green and prosperous future. However, our mission now is to continue our commitment to conserve, protect and sustain the state's natural diversity, its parks and preserves, its farmlands, its scenic vistas, its historic resources, its recreational and cultural legacy. We must renew our commitment, combine efforts and create a holistic and comprehensive approach to meet the challenges now posed and the opportunities now presented.

Public Message:

Preservation

New Jersey must aggressively preserve its open spaces. There is an overwhelming sense of urgency in the message that the public has conveyed to the Council. The public has told us that the ecological integrity and the economic future of New Jersey depend heavily on our ability to preserve a critical mass of open space. The key tool should be the acquisition of important tracts of land by outright purchase, buying development rights and receiving donations. No other mechanism —not regulation; not land-use planning; not transfer of development rights; not the State Development and Redevelopment Plan - will be sufficient to achieve the goal of a livable, sustainable New Jersey. These mechanisms, properly implemented, will provide direction for wise land use but cannot eliminate adverse impacts of growth, nor substantially protect New Jersey's ecology from fracture and degradation. Public acquisition of open space is the key to giving New Jersey residents an enhanced quality of life.

Open space preservation is not just about providing picnic areas and swimming beaches. It is more than soccer fields, boat launches, and wildlife viewing platforms. New Jersey's forests, wetlands, meadows, streams, beaches, and mountain ridges provide flood and storm damage protection; help protect and generate water supplies; filter air and water-borne pollutants; provide habitat for plants and animals; and provide aesthetic assets New Jerseyans would be loath to live without.

Open spaces provide all these important benefits as well as provide a basic core element for New Jersey's economic base. The desirability of New Jersey as a home for businesses and their employees is dependent in part upon the natural and scenic character of the state. Many tourist attractions and a high percentage of tourism-related employment rely upon the preservation of open spaces, historic and natural resources, and environmental quality. The New Jersey shore economy relies directly on the quality of our ocean waters. Ecotourism and heritage tourism are rapidly expanding fields in the tourism industry, generating employment and more than \$3.0 billion in annual economic activity for New Jersey.

The more we learn about the complexity of natural systems and how much our quality of life depends upon them, the more important becomes the challenge to ensure these systems are capable of meeting the needs of future generations as well as our own.

The public tells us that New Jersey's open spaces are vanishing under a seemingly endless tide of suburban sprawl spewing urban decay, pollution and blacktop in its wake. Communities are struggling to preserve the cultural and ecological heart of their hometowns. New Jersey is losing that which is unique, that which reflects our natural and cultural history and that which provides us with a "sense of place," as it is called in the State Development and Redevelopment Plan (the State Plan).

Economic growth is desirable, but where and how that growth occurs can determine whether its costs outweigh its benefits. If growth is to be both beneficial and sustainable in New Jersey, then growth must follow the guidelines established in the State Plan. The public must also make the investment to preserve the open lands that are critical for ecological and watershed protection, recreational and greenway opportunities and for preservation of agricultural landscapes.

Establishment of a stable source of state funding for open space, historic, and recreational resource programs would complement the efforts to implement the State Plan. The State Plan will focus development in centers, where the infrastructure that is needed to support growth and development is most effectively and efficiently provided. The State Plan will help to identify those areas where preservation is warranted and public investment in open space acquisition and recreational facility development is most appropriately targeted. By combining a



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By combining a renewed and expanded effort in open space preservation with implementation of the State Plan, New Jersey can realize its potential for remaining green and prosperous into the twenty first century.

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Though many creative private market mechanisms can be effective in providing some recreational open spaces, it is public ownership and stewardship of the state's natural and cultural treasures that will be the defining element of New Jersey's future quality of life. The connections among open space, recreation, environmental protection, a strong economy and the quality of life are widely understood and accepted in New Jersey. The public said the time is right to establish strong and steady financial support to secure those connections.

New Jersey now has 854,000 acres of public open spaces preserved. Of these, 380,000 acres have been acquired over the 35 years since the Green Acres Bond program was established through public referendum. There are also regulatory and interstate and regional planning programs that shape the landscape of New Jersey and help to preserve natural and cultural resources. Among these programs are: The Pinelands National Reserve; the Hackensack Meadowlands District, the Freshwater Wetlands Protection Act, the Coastal Area Facility Review Act; the State Plan; Burlington County's Transfer of Development Rights Program; and the Hudson, Barnegat, Egg Harbor and Delaware Estuary Programs. However, despite a complex web of regulations and plans, and despite the earnest combined efforts of government, private groups and citizens to set aside open lands, New Jersey's landscape continues its trend towards habitat fragmentation and suburban sprawl.

Thus far, our efforts to preserve open space have been insufficient to tip the scales away from the consumption of open land. The 380,000 acres that Green Acres is credited with protecting compares poorly with the amount of land that has been converted to homes, shopping malls, highways and corporate office complexes. In the same time period it took New Jersey to protect 380,000 acres, in excess of 500,000 acres of productive farmland was replaced by development. And the conversion of fields to lawns is only a portion of what the total loss of open space has been since the Green Acres program was first begun.

New Jersey needs a dramatic acceleration of effort to preserve open space.

In passionate testimony, citizens called on the Council to recognize the resources still at risk: their open spaces, cultural landscapes, waterways and natural communities. Among the many areas citizens specifically cite as preservation concern are the forested ridges, sparkling lakes, rivers and streams, and abundant wildlife habitat of the New Jersey Highlands; the marshes and unspoiled, meandering river corridors of the Delaware Bay; the unique and sensitive resources of the Pinelands; the watershed lands of Sterling Forest, Newark and other public reservoir systems; and the vanishing coastal and river corridor waterfronts.

But the testimony also went beyond specific citations to expressing a vision of a green and prosperous New Jersey; where we have protected open space parcels both large and small; where waterfront parks, neighborhood play grounds and oases of open lands in New Jersey's urban areas are nourished; where people can stroll, hike, bike and play near their homes; where song birds thrive and native plants flourish; where children understand New Jersey's heritage through restoration and interpretation of historic resources; where one can take a scenic drive past miles of farm fields far from congested highways; where public access to clean waters for swimming, fishing and boating abounds; where stretches of forests roll in verdant sweeps across the ridge tops; where, in short, each and every community in New Jersey has protected its natural and cultural heritage.

This vision conveyed so persuasively and eloquently by the citizens that came before the Council has inspired the Council to call for a dramatic renewal and redefinition of New Jersey's open space preservation goal.

One Million More Acres:

The Goal

The testimony we heard during these public hearings, the stories from those who sought us out as members of the council, our experience and knowledge in open space and natural resources protection, and our dedication to a livable New Jersey brings us to this conclusion — New Jersey must protect an additional one million acres of open space to ensure a green and prosperous future for the residents of our state.



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**The Governor's
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tion needs.**

This goal may seem ambitious. It is meant to be. It has to be. New Jersey's environment has been radically altered by the development of the last 35 years. It will face the same pressures for the next 35 years and beyond.

New Jersey has 4.8 million acres of land. In some areas of the state, nearly 90% of that land has been developed, and many other areas are rapidly edging toward lesser but still alarming levels of development. Some citizens were spurred to testify before us because they had witnessed that one scenic, special open place in their home communities where a promotional "For Sale" sign sprouted or a surveyor's flag appeared which made them realize that these special places could no longer be taken for granted and could no longer go unprotected. They came to transform their frustrations over what has been lost into their expressions of hope for preservation of what is still at risk. The Council shares the hopes of these citizens and recommends New Jersey conserve about one-third of its land mass. This preservation goal will allow New Jersey to protect its resources and accommodate a healthy, sustainable economic growth.

This means that New Jersey must extend its vision of open space acquisition and strive to double the size of the protective blanket of permanently preserved open space. Currently, about 32,000 acres of agricultural land has been preserved through easements and another 854,000 acres are conserved for recreational and natural resource conservation purposes - for a total of 886,000 acres. New Jersey still has the opportunity to conserve its biodiversity; maintain a critical mass of agricultural productivity; protect drinking water supplies; and meet its demands for recreational open space by adding one million more acres of open space to the inventory of preserved lands. But time is of the essence.

Many open spaces fulfill more than one of the needs discussed in this report. Therefore, some tracts may be characterized as meeting objectives for a variety of open space uses. Since many open space benefits complement and overlap each other, the goal of one million more acres of preserved open space is holistic. This document reflects preservation needs previously expressed by the public in various forums and reports. For once, the needs are being expressed in a comprehensive manner. The Governor's Council has redefined the State's open space goal to include all aspects of open space preservation needs.

This report reflects the overall needs for preservation and gives public recognition that open space preservation will serve a multitude of public services. The acreage sub goals cited herein are intended to be broad general guidelines.

Ecological Diversity

To sustain the environment and conserve ecological diversity, New Jersey has to ensure that there are large, contiguous blocks of open spaces, linked by corridors to each other and to smaller tracts. Our witnesses shared with us research that shows the importance of large tracts of forested lands. Forest resources filter air and water and provide critical blocks of habitat for both animal and plant species. One study concludes that many species of migratory birds can only sustain breeding populations in forest tracts of 250 acres or more. There are several other studies which confirm the need for large contiguous habitats to support other types of species. The 1988 Highlands Study, conducted by the US Forest Service, determined 71% of the forest tracts in the Highlands were less than 50 acres and that the average size of an ownership parcel was 12.8 acres. Less than 1% of the Highlands were in tracts of forest larger than 5,000 acres.

New Jersey still has many thousands of acres of private, yet relatively undisturbed open spaces. However, the potential for fragmentation of these blocks is high and with each passing day, the cumulative impact of altering even small portions of these blocks greatly diminishes the potential for preservation of ecological diversity. It is important, therefore, to look for opportunities to give property owners incentives to retain these lands in large tracts by sale of easement or other conservation measures, and to seek strategic additions to public lands to amass and permanently protect large areas of undisturbed open spaces.

In Cape May, during the last twenty years for example, there has been a loss of over 40% of the habitat that once existed. These losses occurred despite a significant presence of state, federal and nonprofit owned open spaces. The impact that this loss has had on the numbers and diversity of migratory birds is compelling. The populations of 91% of all neotropical bird species that breed in New Jersey are declining. In order to slow the loss of habitat, we must fill in the gaps among protected parcels and create safe haven wildlife corridors in Cape May and elsewhere in New Jersey.

Equally important to the larger tracts of open spaces are the smaller, but unique and valuable parcels where endangered and threatened species find suitable habitat. Both the state and several non-profit environmental groups have focused attention on the identification and protection of unique, ecologically sensitive parcels. The State itself manages a total of 31,284 acres of natural areas



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in 42 sites ranging in parcel size from as small as 11 acres up to 3,800 acres.

Much testimony provided examples of the need to preserve the unique habitats of endangered and threatened species and cited cases where fragmentation was allowing diminishment of biodiversity across New Jersey. New Jersey must permanently protect both the larger undisturbed blocks of open space that remain and preserve the smaller parcels of critical habitats for endangered and threatened species.

Watershed Protection

Preservation of open space is critical to preservation of the ecological carrying capacity of New Jersey's watersheds. As New Jersey begins to recognize the importance of a more holistic view of water quality and watershed management, it will become even more evident that stream corridor vegetation, wetlands and buffer lands enhance our water quality by reducing the waste loads deposited in our waterways.

Close to 100,000 additional acres of lands need to be preserved to protect the headwaters, water-supply streams and reservoir systems of the State. Though currently under a moratorium that limits sales of watershed lands, the lands held by water purveyors are not permanently protected from development and a mechanism should be devised to provide permanent protection of these environmentally valuable lands. Many headwater areas and stream corridors that surround streams that feed into our water supplies are completely unprotected.

State and local land-use regulations offer no direct protection of water quality based upon the use of the resource for water supply purposes. Drinking water regulations focus on the quality of the finished product of water delivered in the pipe. There are no regulations aimed at the preservation of the raw, natural water quality of our surface water supplies. Yet, wisely enough, pollution prevention is the catalyst behind New Jersey's fight to protect the headwaters in Sterling Forest and New York City's fight to protect the reservoirs in the Catskills. Policy makers have begun to realize that preservation of surrounding watershed lands provides a measure of water quality protection that will reduce the need for ever-more sophisticated and expensive water treatment technologies.

Greenway Corridors

To ensure that New Jersey's system of open space provides the economic, recreational and ecological benefits envisioned, these spaces must be linked into greenway corridors. Greenway corridors give both people and animals a way of connecting to differing environments. For animals it is necessary for survival and reproduction. For people, it is often how we most enjoy our recreation. It is estimated that approximately 200,000 acres of stream corridors, trails, rights-of-way, easements, inholdings, and connector parcels of open spaces need to be preserved.

Farmland Preservation

Farmland is fast disappearing in New Jersey. This greatly impacts the scenic and cultural landscape of New Jersey, but the impact of the loss of our farmlands is greater than that. New Jersey's agricultural base as an economic asset is threatened. In order for New Jersey to sustain its ability to generate fruits, grains, livestock, fresh produce and other agricultural products for our markets as well as for other regional and international markets, a critical mass of production has to be maintained. The Department of Agriculture is currently studying what the critical mass is and will soon be making its recommendations for a range of policies needed to help preserve the vital agricultural sector of New Jersey's economy. However, we can assume that New Jersey will strive to preserve at least half of the remaining productive farmland in the state. That means we will need to allocate conservation dollars for 400,000 - 600,000 acres of farmland.

Recreational Open Space

Recreational open space is still in short supply in many areas of our state. Many people testified about the need for more and better "parks for people". From quiet spaces to game fields, favorite fishing spots to swimming beaches, ice rinks to mountain bike paths, playgrounds to campgrounds, all manner of outdoor recreational pursuits, by all manner of able and disabled persons, are in demand and the supply is limited.



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Our population is growing and changing. The 1996 State Outdoor Recreation Plan analyzed the growing and changing needs of New Jersey's residents and visitors and had concluded that an additional 200,000 acres of recreational open space needs to be preserved.

Stewardship:

State-Owned Lands and Local Open Space

Setting aside open space is only half of New Jersey's responsibility. Over the past 35 years, New Jersey citizens have invested over one billion dollars in public funds for preservation of lands and thereby created an endowment of lands valued at many times the original cost. However, like any endowment, these valuable assets must be properly managed, given care and oversight, replenished and renewed. In order for these lands to serve the open space and ecological needs of this generation and the next, we must provide stewardship.

Both state and local governments are challenged to meet the goal of proper stewardship of the public's lands and recreational resources. The State manages 563,000 acres of land, or 66% of all public lands in New Jersey. Local governments manage 154,000 acres (18%). Though much of the state-owned land is largely undeveloped, many historic, recreational and educational facilities are maintained and operated on both state and local lands. Over many years, funds for the operational and capital needs in recreation areas have fallen short of the needs. Some local governments have been fortunate to receive voter support for dedicated funding for acquisition, development and, in some cases, operating expenditures associated with their park systems. In these cases, dedicated funding has given these jurisdictions some predictability and flexibility to meet the needs to acquire open spaces, maintain their recreation infrastructure and meet the needs of their visitors.

When funding is not sufficient the shortfalls translate quickly into problems that the public notices and reacts to: staffing shortages; limitations on operating hours; less diversity in programs; overcrowding; buildings and facilities in disrepair are all negative experiences and many deplored these shortfalls in the public hearings.

Deferral of capital spending for renovation and rehabilitation leads to larger expenses down the road. Ignored continuously, leaky roofs lead to major structural deficiencies; small plumbing problems long-ignored turn into inoperable bath houses; unpatched roadways grow too deteriorated to repair and become costly repaving projects. Many facilities are not in compliance with disability access guidelines, and some facilities are in need of costly upgrades for environmental infrastructure such as water and sewage systems. And, more tragically, some capital needs left unmet translate into irreplaceable losses, as entire buildings, particularly those of historic significance, deteriorate beyond restoration.

The public has pointedly told us that over the years the infrastructures of the recreation areas of the state are slowly but steadily deteriorating to an unacceptable level. The recreational experience offered most visitors is far from ideal from a lack of a nature center in many state parks such as High Point to the closure of an historic site such as Hancock House. This is much less than the residents of New Jersey deserve. Having consistently supported open space acquisition and facility development, the public deserves both to have their lands and resources cared for properly and to expect and receive enjoyable recreational and rich educational experiences.

Urban Areas

Open space, outdoor recreation and environmental education opportunities are as important in urban settings as anywhere else in New Jersey. Cities must also be green, healthy and welcoming for residents and to attract visitors and the positive impacts of tourism. Urban parks can shape the daily life of a neighborhood or sometimes be a defining element of character for an entire city. Across the United States, cities are reclaiming open lands and waterfronts; building parks and creating public plazas and recreation facilities. San Antonio, Portland, New York, Baltimore, can all provide examples of the power and appeal of public parks. The investment (or reinvestment) in public areas by these cities and their private sector partners, have been the catalysts to renewal. By taking advantage of common urban attributes such as historic and cultural resources, urban areas have great potential for developing parks, recreational opportunities and waterfronts. The investment that the public and private sector make to protect open spaces is returned many times over in tourism, trade, employment, and enjoyment.



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By taking advantage of common urban attributes such as historic and cultural resources, urban areas have great potential for developing parks, recreational opportunities and waterfronts.

New Jersey has its own evidence that parks and recreation lands are cornerstones to urban renewal in both small and large communities. The Camden, New Brunswick and Trenton waterfronts, the Hudson River Walkway, and Bridgeton's Riverside Park have all provided economic as well as recreational benefits to the community.

Urban areas, however, face challenges that can exacerbate the common problems that land managers face elsewhere in New Jersey. Intense use and acts of mischief or vandalism can shorten the time cycle for replacement or rehabilitation of facilities. Staff needs for managing many visitors and providing security are more pressing in urban parks. This means operational costs are higher. Also, there are fewer opportunities for acquisition of lands in its natural state or large-scale parcels. There is potential, however, to convert vacant land or restore brownfields to productive use as recreational areas but this too, is expensive. Green Acres makes 50% grants available to urban areas but new and innovative methods and sources of funding are also needed. Techniques such as dedicating a portion of urban district sales tax and establishing urban heritage districts, have been discussed in the Legislature and would provide an important tool for capital redevelopment and maintenance and operations of urban parks.

Accounting for the Needs:

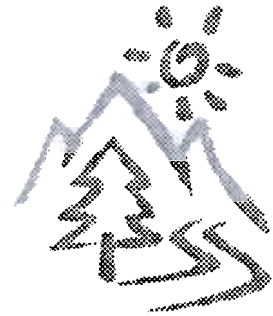
Can We Afford It?

We can't afford not to. The public has told us that New Jersey must afford preservation of its open lands and ecological resources.

Council members have learned both from testimony and from many past studies that suburban sprawl and urban decline are two of the most costly trends in modern day New Jersey. The public infrastructure costs to support the shift in our lifestyle and population patterns of the last thirty years have been staggering. Each and every local government in New Jersey struggles to meet its existing service levels. Contrary to the commonly held myth, development, whether commercial or residential, has not protected any community from rising taxes. In fact, some of the fastest growing communities in our state are among the communities that face growing fiscal stresses.

State Acquisition

To sustain New Jersey as a green and prosperous state, all levels of government as well as the non-profit and the private sectors will have to accelerate preservation efforts in order to double or even triple the current pace. Those who testified before us have expressed their eagerness to pursue the ambitious push to preserve far more open space. The Council estimates that based upon the current needs and past trends in acquisition expenditures the state must make available some \$50 million to \$60 million a year for state land acquisition with additional assistance in the form of grants and loans to local government and non-profit organizations.



Local and Non-Profit Assistance

Many unique and threatened resources that should be preserved can be acquired and managed by entities other than the state. Non-profit organizations, land trusts, and local governments are all important partners in New Jersey's open space system. A large portion of the state's assistance to local government takes the form of loans through the Green Trust program. Since the Green Trust receives repayments of principal and interest (at 2%), this loan fund will continue to grow as loan award projects are approved, completed and repayments begin. This fund will eventually reach a total of \$40 million in annual interest and debt repayments and will become self sustaining, thereby not requiring new or additional investment from a stable funding initiative. However, this full capitalization will not take place until 2005.

By moving away from bonding that is supported from General Fund dollars to a stable, dedicated funding source, the Green Acres Program would be following the lead of communities and counties in New Jersey that have dedicated open space funds. If a community has a dedicated revenue source for open space preservation and development and has an approved open space plan, Green Acres can award the community a planning incentive award. All properties designated in the plan would be eligible for funding from the planning incentive award.

Planning incentive awards shorten the time frame for funding local projects and give communities more flexibility and a competitive edge to preserve land and develop park facilities. This mechanism should enable local communities to accelerate their efforts to preserve resources and provide recreational opportunities



Non-profit organizations provide private sector funding to match state dollars, thereby leveraging the buying power of public funds.

* * *

***How can we spend money to protect more open space when we take insufficient care of the lands for which we are already responsible?
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for local needs thereby providing an underpinning for the state's preservation and stewardship endeavors.

The more recent allocation to non-profits for land preservation should also be continued and strengthened. Non-profit organizations provide private sector funding to match state dollars, thereby leveraging the buying power of public funds. Sometimes, non-profits have an advantage over the public sector in landowner contacts and negotiation. Non-profits also have the ability to focus on properties that are of high ecological value, but for one reason or another, are more difficult for the state or even a local entity to acquire and manage. The variety and complexity of New Jersey's environmental groups and land trusts grows each year. New Jersey's ecological heritage benefits from the spectrum of land preservation actions these groups undertake.

A recommended allocation of \$50 million is needed for assistance in the form of grants and loans to local governments and non-profit organizations.

Operation and Maintenance

Time and again we heard members of the public express their concern about the negative trends in operating and maintenance expenditures for the public open spaces they had fought so hard to protect. For those who care about the natural and historic resources of New Jersey and for those who have a clear vision of the imperative to protect many more acres of open spaces, it is a frustration to contemplate this question: How can we spend money to protect more open space when we take insufficient care of the lands for which we are already responsible?

The answer is that we must do both, balancing our fiscal resources for both our preservation and our stewardship needs. Many lands that are in public ownership take very little in terms of resources to manage. Others, particularly the high use recreation areas of parks and in some cases wildlife management areas, need substantive fiscal and personnel resources devoted either seasonally, or annually, or both. Witnesses to the Council were critical of both local and state government's inadequate attention to the stewardship of public parks and recreation areas. Much concern was expressed about overcrowded sites, rundown facilities, limited operating hours, visible effects of vandalism, and a lack of sufficient interpretive programming.

The need to serve the public through protection of our open spaces and maintenance of our recreational facilities is not being adequately addressed by the current funding system. Though all levels of government strive to be good stewards of our resources, the fiscal realities dictate an open space system that suffers from neglect and quick fixes. A dedicated stable funding source will provide for adequate maintenance and service as well as for preservation of the open space and ecological resources still at risk.



Since 1989, not one dollar of General Funds have been appropriated for capital expenditures for facility rehabilitation and renovation. Any capital expenditures undertaken in Parks have been funded from Green Acres Bonds. (An exception to this is noted for the proposed 1998 state budget which contains a \$6.0 million allocation for capital expenditure for Parks.)

The trend in investment to maintain our parks and recreational infrastructure is alarmingly downward. From 1975 to 1988, Parks averaged \$14 million annually in capital investments. From 1989 to present, Parks has averaged just \$10 million for capital improvements annually, with much of the support coming from the recent Green Acres Bond. If these numbers were adjusted for inflation, the declining funding trend is more dramatic. Since the Bond funds are limited, millions of dollars of urgent capital needs go unfunded annually resulting in an enormous backlog of deferred projects.

The Division of Parks and Forestry is projecting a six-year total capital funding need of \$160 million. With estimates that 25% of that will likely be met with other funds such as Green Acres, this still leaves an annual shortfall of \$20 million for routine capital maintenance.

The state land management system is also challenged by rapidly increasing visitation. Parks, forests, recreation areas and wildlife management areas are hosting more visitors each and every year. For example, the Division of Parks and Forestry has experienced a 52% increase in visitation over the past ten years (8.5 million to 13 million visitors). In addition, both the Division of Parks and Forestry and the Division of Fish, Game and Wildlife are managing more public lands each year with less staff support than is desirable. Staffing shortages lead to a limitation in operating hours and the potential for insufficient oversight.



**Bond funds are
providing only a
small fraction of
the needs as
articulated to us
by our citizens
and evidenced
by the ten year
history of the
Historic
Preservation
Bond Program**

Funding for staffing and operations for the Division of Parks and Forestry comes from the general fund whereas the Division of Fish, Game and Wildlife receives no support from the general fund and relies solely on the revenues from hunting and freshwater fishing licenses to support the division's operations. Access to wildlife management areas, however, is not limited to hunting and fishing user groups, but are open to the general public and millions of visitors enjoy hiking, birding and boating at these sites.

The land under management by the Division of Fish, Game and Wildlife exceeds 200,000 acres, nearly 25% of all the protected open space in the state. Wildlife management areas have multiple compatible uses and the costs should be more broadly supported by the public benefiting from state stewardship of and access to these resources.

Historic Preservation

In 1987, the Historic Preservation Bond Program was created by the Legislature because many significant properties owned and controlled by public agencies or non-profit organizations were in need of major repairs, restoration, or structural stabilization. They were in danger of losing their character and history to tinkering and quick fixes. A subsequent survey of publicly-owned or operated historic properties documented New Jersey's capital needs for these public historic properties at \$400 million. The public tells us that many millions more are needed as investment in restoration of properties held by non-profits.

The Historic Preservation Bond Program has allowed New Jersey to begin to meet those needs to maintain and preserve New Jersey's heritage for future generations. The bond funds are matched and leveraged so that the impact of a dollar of grant/loan funds is multiplied. Historic preservation provides a catalyst to heritage tourism, downtown economic development and urban revitalization. However bond funds are providing only a small fraction of the needs as articulated to us by our citizens and evidenced by the ten year history of the Historic Preservation Bond Program.

Since 1987, \$60 million (\$57 million in grants and \$3 million in loans) for historic preservation has been approved from three state bond referendums.

With the pending approval of new projects, \$47 million of additional funds will be allocated through the bond program for specific historic preservation projects.

Demand for funding has exceeded available grants and loans by 60%.

The bond funds have "primed the pump" for historic preservation projects and the total value of the public and private investment in these projects is many times the amount of bond funds expended, representing an impact of hundreds of millions of dollars invested in New Jersey's history.

\$15 million is needed annually to support historic preservation projects statewide.



Farmland Preservation

Currently the Farmland Preservation Task Force established by the Department of Agriculture is finalizing a report with recommendations on preservation needs. Formal recommendations have not yet been made, but nearly \$35.5 million in annual preservation demand has been identified.

The Farmland Preservation Program has three basic components: easement purchase; fee simple acquisition; and soil & water conservation projects.

Easement purchases have made up the bulk of the program. Counties currently receive approximately 350 applications a year for farmland preservation. Based upon limits in available funding, current funding levels allow participating counties about seven applications per year to the State Agriculture Development Committee (SADC). The past three years of funding rounds can be summarized:

Funding Round	Allocated	# Submitted	# Approved	Acres Preserved
1994	\$18 million	65	45	6,217
1995	\$19 million	83	51	7,850
1996	\$21 million	89	42	6,511

\$30 million in funding for easement purchases should be provided annually based upon applications from the farming community and the pressing need to stem the loss of open lands in productive agriculture.



\$5 million of fee simple acquisitions finance is needed to allow the purchase in full fee simple of farms which are then resold with deed restrictions in place. This turnaround minimizes the costs of preservation of farms.

\$500,000 annual funding is needed for soil and water conservation to help ensure that proper land and water management techniques are used in farming to avoid negative environmental effects.

In-Lieu Tax Payments

Under current law the state is required to pay in-lieu taxes on a 13-year declining balance basis for all its properties acquired with Green Acres funding. In 1996 those payments approximated \$1.6 million.

After 13 years, the in-lieu payment falls to the legally mandated payment of \$1 per year per acre for state park properties. There are no ongoing in-lieu payments mandated for wildlife management areas. Under the 1995 Green Acres Bond Fund, there are newly mandated 13-year declining in-lieu payment requirements for open space purchases resulting from grants made to qualifying non-profit organizations under this Bond.

Over the years, some municipalities have voiced concerns that \$1 per-acre per-year for some state park properties and none for wildlife management areas is unfair and also insufficient to cover the public costs locally incurred to support state owned public open space within their jurisdiction. In addition, the conversion of tax base "ratables" has led to some reluctance on the part of municipalities to support state acquisition of additional lands in their communities. This attitude is not reflective of the actual net economic impact of open space preservation, yet the perception continues to exist and at times it does create barriers to open space acquisition and protection of valuable resources.

The misunderstanding persists particularly in municipalities where local officials believe that new ratables will bring tax rates down. Studies have shown however, that an increase in ratable properties often requires new and expanded public services for a larger, more demanding local public. These new and expanded services (more schools, roads, sanitary disposal) often end up

costing more than the new ratables have generated in tax dollars which cause an increase in the tax rate for all residents. In comparison, open space preservation is often the more attractive fiscal alternative. In fact, in one neighboring county in Pennsylvania, the local school board (and taxing district) decided it would be more fiscally prudent to help purchase tracts of open lands for preservation purposes rather than see new residential development on these tracts which would have generated more demand for school services.

Most citizens support public acquisition of open space in their communities. It is the state's responsibility to work with local governments to overcome misperceptions, fiscal inequities and any other barriers that make it difficult for elected officials to welcome state-owned open space projects with as much enthusiasm as their citizenry.

A new proposal is currently under review which recommends maintaining the 13-year declining payments for state properties but also provides a sliding-scale annual base payment calculated upon the proportion of tax-exempt public open space property in a given municipality. Such a formula would result in municipalities with the highest proportions of public open space to private properties receiving a relatively higher per acre annual in-lieu payment for state-owned lands. It would also bring the per acre annual in-lieu tax payment more closely in line with the tax payments made by private landowners for farmland assessed open land properties. This revised in-lieu program would provide open space preservation incentives consistent with the goals of this report and the State Plan, and would better reflect local service costs for those state-owned properties.

A stable, dedicated fund for natural and cultural resource preservation and management should also provide funding for revised state-land in-lieu payments. Preliminary calculations show that an increase in the annual total budget for in-lieu payments from \$2.1 million to \$8.5 million would achieve the goals discussed above.

Other Critical Programs and New Ideas

There are a number of important programs that could flourish with modest, but stable financial support. Typically, some of the state's most innovative and productive programs suffer the most from fluctuations in budgeting.





If funding for critical programs could be secured, new and exciting collaborations between businesses and conservation organizations could be fostered in ecotourism.

For example, the Open Lands Management program which helped private landowners make their properties available for public access has been unfunded for three years. The Conservation Corps, a summer outdoor employment program for youths, has been dormant for five years. Interpretive programming has languished, and were it not for a dedicated group of staff, friends groups and volunteers, few of the state's parks would be able to provide any special programming. The Division of Parks and Forestry has recently completed a state-wide interpretive plan. The creative foresight is there, but the financial resources to implement this plan have been lacking for many years.

If funding for critical programs could be secured, new and exciting collaborations between businesses and conservation organizations could be fostered in ecotourism. The Department's Endangered and Nongame Species Program in the Division of Fish, Game and Wildlife is creating a new framework to advance ecotourism with a Watchable Wildlife Guide. Through promotion of this guide and by making grants to local entities for wildlife site enhancements, the public will be brought closer to the natural world of New Jersey. But the Nongame program is subject to fiscal stresses too, as it relies primarily on tax checkoffs. Due to competition from an increase in other tax checkoff options, this funding source has declined over the last few years due to competing checkoffs. A new revenue source, such as Wildlife Conservation license plate sales, adds only a small funding bonus to the program annually.

As described earlier, urban parks face tremendous difficulties in maintaining what they have, especially in the face of other legitimate urban pressures. Rather than see this decline continue, incentives to foster public-private partnerships must be sought. Matching grant programs for non-profits that have a formal and ongoing relationship with a government owned urban park should be considered. These grants could provide some extra resources which could be leveraged by funding matches from the private sector and could instill new local pride and stewardship by local residents and businesses.

A dedicated stable funding source could resurrect some highly successful management programs as well as fund some new interpretive and wildlife programs designed to allow New Jersey residents to experience the beauty and diversity of the state's natural resources.

Recommended Course of Action:

Stable Funding Mechanism Dedicated for Natural Resources

Given the fiscal resources available, funding levels for open space acquisition, agricultural preservation, parks, recreation, and wildlife conservation will not meet the needs expressed by the public. In order to protect open spaces and historic resources; provide a basic level of service to the public; stem the tide of infrastructure deterioration; provide modest compensation for in-lieu payments; and initiate some innovative programs; it is clear that we need to identify both new and replacement funding mechanisms. New funding is needed to meet operational and capital expenditures, and shift expenditures made from Green Acres Bond funds to a newly dedicated source of funds.

A dedicated stable funding source could be structured to adequately cover both acquisition as well as capital maintenance and recreational development needs for the current year and at least the next ten years. To provide proper stewardship of our resources and to protect these resources from neglect, the state must invest in the creation of a trust fund - a financial endowment to protect our natural and cultural inheritance. As with any endowment, the funds need to be sufficient to service the growing needs of the organization - in this case for a redoubling of efforts to both preserve and properly manage the state's open space resources.

Preservation of open spaces and retention of agricultural lands is estimated to require \$135 million per year. Stewardship responsibilities for capital improvements, maintenance, historic restoration, in-lieu and new program needs is estimated at \$65 million per year. Based upon the information and testimony provided to the Council, we conclude that approximately \$200 million of annual, dedicated funding is necessary to accomplish our open space protection and stewardship goals. This \$200 million would cover both the described new efforts as well as eventually replace existing traditional bond funding support.

Depending on how the funding mechanisms are to be structured (possible combinations of dedicated taxes, endowment funds and new bond issues which would rely upon the dedicated taxes for debt service), the annual cash requirements may be less than the \$200 million annual commitment need.





Comment Desired for Next Hearings:

By every measure, the residents of New Jersey have consistently supported funding of open space preservation, historic preservation, retention of agricultural lands, recreational development, and natural resource protection. We now want to hear what specific mechanisms of financial support the public want considered.

In our next round of public hearings, the Council will ask for comments and recommendations on how to meet the natural resource needs and opportunities that have been articulated to us:

To achieve our open space preservation goals, what revenue mechanisms should be considered and what level of funding could they be expected to generate, individually or in combination, to provide a dedicated fund to achieve these goals?

What non-revenue strategies could be used to strengthen open space preservation and should be considered as part of the Council's final recommendations?

We anticipate that our next round of public hearings will build on the strength of past testimony - testimony to the successes of the State's open space preservation and recreation programs and on the State's future open space and recreational needs. We look forward to hearing the public's recommendations to meet the needs and opportunities and to working with the public to build a coalition to support the programs they have endorsed so strongly in the past.

APPENDIX

Mission Statement:

As set forth in the Executive Order 40, signed by Governor Christine Todd Whitman, the Council is empowered to conduct public hearings and to accept public testimony, particularly with regard to the current and future open space requirements; recreational opportunities for all New Jersey citizens; and the natural resource preservation needs, together with recommendations for stable sources of funding to meet these needs.

The Council wishes to direct its energies at the outset to documenting the current conditions of our natural and historic resources and the benefits which they provide to individuals, communities and the state. Equally important are the future needs of New Jersey residents. Current needs have been met over the past 35 years by nine Green Acres bond issues which were approved overwhelmingly by New Jersey voters. In recent years, nine counties and many municipalities have committed to providing ongoing appropriations to preserve their heritage. Many have suggested that a pay-as-you-go fund should be established at the state level to supplant or supplement bond issues. This is an issue that the Council will investigate after its initial hearings on the benefits and needs which will be brought out in the hearings and through research.

The Council's hearings and research will be devoted to four categories of open space and resource areas:

- (1) Recreational resources - public and private;
- (2) Environmentally sensitive lands;
- (3) Agricultural open space; and
- (4) Historic and cultural areas.

The Council will seek to identify and quantify important open space benefits relating to clean air, water, soil and the quality of life. While linking environmental benefits to retention of open space, the Council will also explore the economic value of open space in terms of ecotourism, water supply and ratables. Although open space, farmland and forests are often associated with rural areas, the Council recognizes the importance of parks and recreational facilities in urban areas where the need for public recreation can be greater than in the suburbs or rural towns.

When the Council members travel to different parts of the state, it is our hope that many citizens will seek to testify at our hearings. We want to hear from everyone who has a stake in New Jersey's future quality of life. We want to hear from environmentalists, farmers, fishermen, hunters, preservationists and spokesmen from recreation departments and tourism agencies. We want to hear from small businesses, corporations and chambers of commerce. We want to hear from all levels of government - municipal, county, regional, state and federal.

The task which we are undertaking is important and vast, but with the help and cooperation of everyone, we are confident that we shall achieve our goal.

*State Stable Sources of Funding for Land Protection **

STATE	REVENUE SOURCE	AMOUNT GENERATED
ALABAMA	Percentage interest of offshore natural gas lease trust fund	Annual cap of \$15 million
ARIZONA	Lottery proceeds. (Voter approved - 11/90) Entrance fees	Annual cap of \$20 million \$1 million/year
ARKANSAS	Real Estate Transfer Tax increased (1987) Sales tax 1/8 cent (1996)	\$4 million/year \$37 million/year
CALIFORNIA	Transferred funds from existing environmental funds and general fund. (Voter approved - 6/90) Cigarette Tax (11/88 passed increase) Vanity license plate fees (1971)	\$30 million/year/30 years \$32 million/year \$28 million/year
COLORADO	Lottery proceeds	Up to one-half of proceeds \$3 million/year at present
FLORIDA	Transfer tax increases (1982 and 1991) Unincorporated business name registration fees Trademark renewals and other business transactions Real Estate Documentary Stamp Tax	\$20-\$40 million/year Annual cap of \$2 million \$1.5 million/year N/A-funds debt service of \$3 billion bond issue
ILLINOIS	Transfer tax increase (1989)	\$12 million/year
INDIANA	Vanity license plate fees (1992)	\$2 million/year
IOWA	Lottery proceeds	\$1.0 million/year/10 years \$0.5 million/year
MARYLAND	Real estate transfer tax (1987, 1989 & 1990)	\$35 million/FY 1991 \$52 million/FY 1997
MICHIGAN	Interest and earnings from oil and gas leases on state lands Unclaimed bottle deposit receipts	\$200 million cap \$500,000/year

MINNESOTA	Lottery proceeds (Voter approved dedication in November 1990)	\$1 billion trust fund to be established
MISSOURI	1/8 of 1% and 1/10 of 1% of general sales tax 10 year sales tax extension (1996)	\$44 million/year \$500 million/10 years
MONTANA	Coal severance tax (1975)	Not available
NEBRASKA	25% of lottery proceeds Cigarette tax State Habitat Stamp	\$6-\$7 million/year \$1 million/year \$500-\$700,000/year
NORTH CAROLINA	Vanity license plate fees 6.5% of State's budget surplus (10 years)	\$1.5-\$2.0 million/year Up to \$500 million over 10 years
PENNSYLVANIA	15% of real estate transfer tax (start 1996)	\$22-\$28 million/year
RHODE ISLAND	Real estate transfer tax (1986)	\$300-\$500,000/year
SOUTH CAROLINA	Real estate transfer tax (1986)	\$2.2 million/year
TENNESSEE	Real estate transfer tax (1986)	\$4 million/year
TEXAS	Cigarette tax of 2 cents per pack	\$37.5 million/year
VERMONT	Real estate transfer tax (1988)	\$1-\$2 million/year
VIRGINIA	Specialty plates	Not available

* Based on information compiled by the Nature Conservancy for a November 1992 Report and updated information contained in Common Ground, November/December 1996, The Conservation Fund and Smart States, Better Communities.